

## Important resources

AICK Toll-free phone:  
(800) 530-5989

AICK Fax:  
(785) 290-0727

Email enrollment, change forms and claim forms to AICK as attachments:  
csc-advance@advanceinsurance.com

## You both benefit

Section 79 of the Internal Revenue Code allows your business to provide up to \$50,000 in basic group term life insurance for your employees - and the premium your company pays can be tax-deductible.



## this issue

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## Preparing for the unexpected

Disability is something most people do not like to think about. But studies show that a 20-year old worker has a 1-in-4 chance of becoming disabled before reaching full retirement age.<sup>1</sup>

How many of your employees are prepared to lose their income for even a short period of disability?

Almost half of Americans would not be able to cover an unexpected expense of \$100 or less. An estimated 22.9% of men and 22.7% of women say they don't have at least \$100 in their emergency fund.<sup>2</sup>

What happens if they miss three or four weeks of work? How long does \$500 last anymore? And yet for 41% of American adults, having \$500 in the bank is just a dream.<sup>3</sup> Adults under the age of 35, the Millennials, have a personal savings rate of negative 2%. Between high student loan debt and stagnating wages, saving

anything at all proves to be impossible for many of them.<sup>4</sup>

It is estimated 38 million households in the U.S. live hand to mouth, meaning they spend every penny of their paychecks.<sup>5</sup>

Weekly Short Term Disability benefit amounts can be structured to help meet larger expenses like the mortgage or rent in the event of an unexpected disability; or just be enough to help buy groceries or pay a utility bill. As the employer/group policyholder, you select the weekly benefit amount, the elimination period for accidental injury or sickness, the maximum number of weeks the program provides a benefit, and determine how the cost of premium will be shared. Your company may wish to contribute towards the cost to help more employees participate; or you can choose to simply administer the plan and payroll-deduct the premium. Your company could potentially add a new benefit at little cost.

Contact your Blue Cross and Blue Shield of Kansas (BCBSKS) sales representative about a group disability coverage. They can assist you with a plan to complement your company's benefit structure and the company checkbook while adding an important coverage at group rates.

<sup>1</sup> Social Security Administration, SSA Publication no. 05-10029, ICN 456000, May 2014

<sup>2,3,4,5</sup> 23 Dizzying Average American Savings Statistics, CreditDonkey, March 18, 2015



## Continuation limits

Your group term life policy limits the length of time an employer/policyholder can continue to carry an insured employee on the bill if they are not actively working the required minimum hours each work.

If an insured is not at work due to injury or illness, we suggest you contact our office to discuss the continuation options and the possibility of that person qualifying for the Waiver of Premium benefit.

At their most generous, group term life policy provisions allow an insured that is sick or injured to be carried on the bill for up to one year following the date they last performed their usual job at the usual location; and at their most restrictive, for any other reason, provides only one month of coverage.

The employer/policyholder is responsible for providing employees with the Notice of Conversion Privilege form on losing their group life insurance coverage. Help limit your company's exposure by contacting us when you need more information about the limitations of group life coverage.

## Extending dependent coverage for a handicapped child

If an employee has AICK's Dependent Life coverage and has a handicapped dependent, it might be possible to extend that child's coverage beyond the date they would normally age out.

AICK must receive a completed Handicapped Dependent form (AICK 21) from the employee within 63 days of the handicapped child reaching the maximum age. Please be aware that AICK can not use the BCBSKS health form for handicapped children (due to HIPAA rules). **We must approve the AICK 21** to extend a handicapped dependent child's life coverage.

A dependent that is all ready older than the maximum age limitation of your group's Dependent Life coverage (generally 23 years of age but check your policy as it could be younger or older) at the time the insured employee enrolls is not eligible for this extension. They must have been covered by AICK before reaching the limiting age.

## It's easy and timely

EFT (Electronic Funds Transfer) is an easy way to pay your monthly premium or see that your employee gets their disability benefit. AICK can draft the amount billed directly from your company's checking account. We can also pay your employee's Long Term Disability benefit payments directly into a checking or savings account [on request].

## Quick Tips

Tip No. 1- Enroll each employee as they satisfy your company-imposed waiting period (if any). **AICK does not have Open Enrollment.** Not enrolling when first eligible causes the employee to pay any fees or costs for medical records and run the risk of being declined for coverage. If the life or disability plan is all company-paid, you (the employer) risk having to pay premium back to the original date of eligibility - even if it was several years ago.

Tip No. 2 - Always send your life and disability enrollment forms, change forms, and termination notices directly to AICK. The form may be delayed or misplaced if you rely on your health insurance contacts to send it to us.

## FORMS and MANUALS

Find the most up-to-date versions of our enrollment forms, change forms, claim forms and our Group Administrator's Manual on our website at:

[www.advanceinsurance.com](http://www.advanceinsurance.com)